

1 A bill to be entitled

2 An act relating to education fiscal accountability;
3 amending s. 1008.02, F.S.; defining the terms
4 "operating expenditures" and "return-on-investment
5 rating"; amending s. 1008.34, F.S.; requiring school
6 report cards to include school and school district
7 return-on-investment ratings; requiring the
8 Commissioner of Education to establish a return-on-
9 investment rating to evaluate the extent to which
10 schools and school districts are using financial
11 resources to improve student performance; requiring
12 the commissioner to assign and publish return-on-
13 investment ratings; amending s. 1011.69, F.S.;

14 creating the Schoolhouse Funding Pilot Program;
15 defining terms; providing a procedure for a public
16 school to participate in the pilot program; requiring
17 the principal of a pilot school to participate in a
18 professional development program; providing assessment
19 and accountability requirements for a pilot school;
20 providing funding for students enrolled in a pilot
21 school and calculation therefor; providing for the
22 receipt of federal funds and for the distribution of
23 state and federal funds; requiring a school district
24 to provide certain specified administrative and
25 educational services to a pilot school; requiring a
26 school district to provide student performance data to

27 a pilot school in the same manner as it provides data
 28 to other public schools; providing for an
 29 administrative fee for the specified services;
 30 providing requirements relating to employees of a
 31 pilot school, including selection, contracting,
 32 certification, background screening, and employment
 33 history checks; requiring a pilot school to adopt
 34 policies that establish standards of ethical conduct
 35 for instructional personnel and school administrators;
 36 amending ss. 1003.621 and 1011.64, F.S.; conforming
 37 cross-references; providing an effective date.
 38

39 Be It Enacted by the Legislature of the State of Florida:
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41 Section 1. Subsections (4) and (5) are added to section
 42 1008.02, Florida Statutes, to read:

43 1008.02 Definitions.—As used in this chapter, the term:

44 (4) "Operating expenditures" means the expenditure of
 45 school district general and special revenue funds in accordance
 46 with the uniform chart of accounts included in the publication
 47 "Financial and Program Cost Accounting and Reporting for Florida
 48 Schools." The commissioner may specify expenditures, funds, and
 49 functional and object categories as operating expenditures.

50 (5) "Return-on-investment rating" or "ROI rating" means a
 51 calculation developed by the commissioner which results in an
 52 annual ordinal rating for a public school and a school district

53 that displays to the public the extent by which operating
 54 expenditures have been used to positively impact student
 55 performance. Ratings shall be assigned, as provided in s.
 56 1008.34(6), based on operating expenditures and student
 57 performance.

58 Section 2. Subsection (5) of section 1008.34, Florida
 59 Statutes, is amended, subsections (6) through (8) are renumbered
 60 as subsections (7) through (9), respectively, and a new
 61 subsection (6) is added to that section, to read:

62 1008.34 School grading system; school report cards;
 63 district grade.—

64 (5) SCHOOL REPORT CARD.—The Department of Education shall
 65 annually develop, in collaboration with the school districts, a
 66 school report card to be provided by the school district to
 67 parents within the district. The report card shall include the
 68 school's grade, information regarding school improvement, an
 69 explanation of school performance as evaluated by the federal
 70 Elementary and Secondary Education Act (ESEA), 20 U.S.C. ss.
 71 6301 et seq., and indicators of return on investment as provided
 72 in subsection (6). Each school's report card shall be published
 73 annually by the department on its website.

74 (6) RETURN-ON-INVESTMENT (ROI) RATING.—

75 (a) By February 28, 2015, the Commissioner of Education
 76 shall establish a ROI rating system. The ROI rating evaluates
 77 the extent to which public schools and school districts are
 78 using their financial resources in a cost-effective manner to

79 improve student performance. Student performance means student
80 learning gains on statewide, standardized assessments as
81 provided for in this section.

82 (b) Schools shall be grouped for comparison as determined
83 by the commissioner.

84 (c) The commissioner shall assign the ordinal ROI ratings
85 for all public schools and school districts in a sortable, easy-
86 to-understand format that allows for comparisons among school
87 districts and public schools. Beginning with the 2015-2016
88 school year, the commissioner shall publish ratings on the
89 Department of Education's website when school report cards are
90 made publicly available. Each public school shall provide a link
91 to this information on its website and annually post a copy of
92 its most recent rating in a visible location.

93 (d) The ROI application shall include a metric to evaluate
94 the resources available to a school as a percentage of the
95 revenues generated by students at the school.

96 (e) Beginning with the 2015-2016 school year, each
97 school's report card shall include the ordinal ROI rating of the
98 school and the school district.

99 (f) The commissioner shall make every attempt to use
100 aggregated student data that is already being collected from
101 public schools to develop the ROI rating, including, but not
102 limited to, data from:

103 1. School report cards issued under this section.

104 2. Accountability measures, including the annual school
 105 accountability report required by ss. 1001.42(18) and 1008.345.

106 3. Profiles of school districts pursuant to ss. 1010.20
 107 and 1011.60.

108 4. The state's program cost reporting system.

109 Section 3. Subsection (5) is added to section 1011.69,
 110 Florida Statutes, to read:

111 1011.69 Equity in School-Level Funding Act.—

112 (5) Subject to annual appropriation in the General
 113 Appropriations Act, the Schoolhouse Funding Pilot Program is
 114 created for the purpose of giving principals increased authority
 115 over school budgets and human capital decisions and then
 116 determining whether the increased flexibility positively impacts
 117 the return on investment at that school, as that term is defined
 118 in s. 1008.02(6).

119 (a) Definitions.—As used in this subsection, the term:

120 1. "Pilot program" means the Schoolhouse Funding Pilot
 121 Program.

122 2. "Pilot school" means a public school that participates
 123 in the pilot program.

124 (b) Participating pilot schools.—A district school board
 125 may select middle schools and high schools to participate in the
 126 pilot program beginning in the 2015-2016 school year. A selected
 127 school must represent diverse student populations, including
 128 minority students, students receiving free or reduced-price
 129 lunches, and students with disabilities. A district school board

130 that selects a school for participation must submit written
131 notification to the department of each school it has selected
132 and documentation evidencing how each selected school meets the
133 requirements of this paragraph. The department shall accept the
134 first 15 submitted middle schools and the first 15 submitted
135 high schools that meet the requirements of this paragraph for
136 participation in the pilot program.

137 (c) Professional development.—The principal, and if
138 possible the assistant principals, of a pilot school selected by
139 the district school board and accepted by the department must
140 participate in a professional development program, as provided
141 in the General Appropriations Act. The professional development
142 must be provided in partnership with an organization that
143 demonstrates a record of improving school leadership practices
144 linked to increased student achievement. The professional
145 development program must include on-the-job leadership training
146 for the school's principal and leadership team that focuses on
147 all of the following:

148 1. Setting high expectations and improving student
149 achievement.

150 2. Providing instructional leadership, including aligning
151 standards, assessment, curriculum, and instruction.

152 3. Managing talent, including developing a high-performing
153 team.

154 4. Using data to drive instruction.

155 5. Leveraging autonomy, including staffing authority, and

156 using best financial management practices to drive student
157 achievement.

158 (d) Assessment and accountability.—

159 1. A pilot school must participate in the student
160 assessment program for public schools under s. 1008.22 and is
161 subject to the school grading system under s. 1008.34.

162 2. The department shall measure the return on investment
163 of each school upon its acceptance into the pilot program and
164 annually thereafter in accordance with s. 1008.34(6).

165 (e) Funding.—A student enrolled in a pilot school shall be
166 funded as if the student were in a basic program or a special
167 program at any other public school within the school district.

168 1. A pilot school shall report its student enrollment to
169 the district as required under s. 1011.62. The district shall
170 include each pilot school's enrollment in the district's report
171 of student enrollment. When submitting student record
172 information required by the Department of Education, a pilot
173 school shall comply with the department's guidelines for
174 electronic data formats. Each district shall accept electronic
175 data that complies with the department's electronic format.

176 2. The amount of funding for students enrolled in a pilot
177 school shall be the sum of the school district's operating funds
178 from the Florida Education Finance Program as provided in s.
179 1011.62 and the General Appropriations Act, including gross
180 state and local funds, discretionary lottery funds, and funds
181 from the school district's current operating discretionary

182 millage levy; divided by total funded weighted full-time
183 equivalent students in the school district; multiplied by the
184 weighted full-time equivalent students for the pilot school. A
185 pilot school whose students or programs meet the eligibility
186 criteria in law is entitled to its proportionate share of
187 categorical program funds included in the total funds made
188 available in the Florida Education Finance Program by the
189 Legislature, including transportation funds if applicable. Total
190 funding for each pilot school shall be recalculated during the
191 year to reflect the revised calculations under the Florida
192 Education Finance Program by the state and the actual weighted
193 full-time equivalent students reported by the pilot school
194 during the full-time equivalent student survey periods
195 designated by the Commissioner of Education.

196 3. If the district school board is providing programs or
197 services to students funded by federal funds, any eligible
198 student enrolled in a pilot school in the school district shall
199 be provided federal funds at the same level as is provided to
200 students in the schools operated by the district school board.
201 Pursuant to the federal Elementary and Secondary Education Act
202 (ESEA), 20 U.S.C. ss. 7221-7225g, each pilot school shall
203 receive all federal funding for which the school is otherwise
204 eligible, including Title I funding, no later than 5 months
205 after the pilot school begins the pilot program and within 5
206 months after any subsequent expansion of enrollment. Unless
207 otherwise mutually agreed to by the pilot school and the

208 district, and consistent with state and federal rules and
209 regulations governing the use and disbursement of federal funds,
210 the district shall reimburse the pilot school on a monthly basis
211 for all invoices submitted by the pilot school using federal
212 funds available to the district for the benefit of the pilot
213 school, the pilot school's students, and the pilot school's
214 students as public school students in the school district. Such
215 federal funds include, but are not limited to, Title I, Title
216 II, and Individuals with Disabilities Education Act (IDEA)
217 funds. To receive timely reimbursement for an invoice, the pilot
218 school must submit the invoice to the district at least 30 days
219 before the monthly date of reimbursement set by the district. In
220 order to be reimbursed, any expenditure made by the pilot school
221 must comply with all applicable state and federal rules and
222 regulations, including, but not limited to, the applicable
223 federal Office of Management and Budget circulars; the
224 regulations of the United States Department of Education; and
225 program-specific statutes, rules, and regulations.

226 4. Each district school board shall make timely and
227 efficient payment and reimbursement to pilot schools and shall
228 process paperwork required to access special state and federal
229 funding for which they may be eligible. The district school
230 board may distribute funds to a pilot school for up to 3 months
231 based on the projected full-time equivalent student membership
232 of the pilot school. Thereafter, the results of full-time
233 equivalent student membership surveys shall be used in adjusting

234 the amount of funds distributed monthly to the pilot school for
 235 the remainder of the fiscal year. The payment shall be issued no
 236 later than 10 working days after the district school board
 237 receives a distribution of state or federal funds. If a warrant
 238 for payment is not issued within 10 working days after receipt
 239 of funding by the district school board, the school district
 240 shall pay to the pilot school, in addition to the amount of the
 241 scheduled disbursement, interest at a rate of 1 percent per
 242 month calculated on a daily basis on the unpaid balance from the
 243 expiration of the 10 working days until such time as the warrant
 244 is issued.

245 (f) Services.—

246 1. A school district shall provide certain administrative
 247 and educational services to pilot schools. These services must
 248 include contract management services; full-time equivalent and
 249 data reporting services; exceptional student education
 250 administrative services; services related to eligibility and
 251 reporting duties required to ensure that school lunch services
 252 under the federal lunch program, consistent with the needs of
 253 the pilot school, are provided by the district at the request of
 254 the pilot school, that any funds due to the pilot school under
 255 the federal lunch program be paid to the pilot school if the
 256 pilot school begins serving food under the federal lunch
 257 program, and that the pilot school is paid at the same time and
 258 in the same manner under the federal lunch program as other
 259 public schools serviced by the district; test administration

260 services, including payment of the costs of state-required or
261 district-required student assessments; processing of teacher
262 certificate data services; and information services, including
263 equal access to student information systems that are used by
264 public schools in the district in which the pilot school is
265 located. Student performance data for each student in a pilot
266 school, including, but not limited to, statewide test scores,
267 standardized test scores, previous public school student report
268 cards, and student performance measures, shall be provided by
269 the district to a pilot school in the same manner as they are
270 provided to other public schools in the district.

271 2. A total administrative fee for the provision of such
272 services shall be calculated based upon up to 5 percent of the
273 available funds under paragraph (e) for all students, except
274 that if 75 percent or more of the students enrolled in the pilot
275 school are exceptional students as defined in s. 1003.01(3), the
276 5 percent of those available funds shall be calculated based on
277 unweighted full-time equivalent students. However, a district
278 may withhold up to a 5-percent administrative fee only for
279 enrollment for 250 students or less. Pursuant to its authority
280 under s. 11.45, the Auditor General shall audit and report any
281 noncompliance by a participating district.

282 (g) Employees of pilot schools.—

283 1. A pilot school principal shall select the employees of
284 the pilot school. A pilot school may contract with its school
285 district for the services of personnel who are employed by the

286 district.

287 2. Instructional personnel at a pilot school may choose to
288 be part of a professional group that subcontracts with the
289 district to operate an instructional program under the auspices
290 of a partnership or cooperative that the instructional personnel
291 collectively own. Under this arrangement, such personnel are not
292 considered public employees for purposes of contract
293 negotiations or for purposes of the Florida Retirement System.

294 3. An employee of a school district may take leave to
295 accept employment in a pilot school upon the approval of the
296 district school board. While employed by the pilot school and on
297 leave that is approved by the district school board, the
298 employee may retain seniority accrued in that district and may
299 continue to be covered by the benefit programs of that district
300 if the pilot school and the district school board agree to this
301 arrangement and its financing. A district may not require the
302 resignation of an employee who desires to teach in a pilot
303 school. This subparagraph does not prohibit a district school
304 board from approving alternative leave arrangements consistent
305 with chapter 1012.

306 4. A teacher who is employed by or under contract to a
307 pilot school must be certified as required under chapter 1012. A
308 pilot school may employ or contract with skilled selected
309 noncertified personnel to provide instructional services or to
310 assist instructional staff members as education
311 paraprofessionals in the same manner as provided under chapter

312 1012 and as provided by State Board of Education rule. A pilot
313 school may not knowingly employ an individual to provide
314 instructional services or to serve as an education
315 paraprofessional if the individual's certification or licensure
316 as an educator is suspended or revoked by this state or any
317 other state. A pilot school may not knowingly employ an
318 individual who has resigned from a school district in lieu of
319 disciplinary action with respect to child welfare or safety or
320 who has been dismissed for just cause by any school district
321 with respect to child welfare or safety. The qualifications of
322 teachers shall be disclosed to parents.

323 5.a. A pilot school shall employ or contract with
324 employees who have undergone background screening as provided in
325 s. 1012.32.

326 b. A pilot school shall disqualify instructional personnel
327 and school administrators, as defined in s. 1012.01, from
328 employment in any position that requires direct contact with
329 students if the personnel or administrators are ineligible for
330 such employment under s. 1012.315.

331 c. A pilot school shall adopt policies establishing
332 standards of ethical conduct for instructional personnel and
333 school administrators. The policies must require all
334 instructional personnel and school administrators, as defined in
335 s. 1012.01, to complete training on the standards; establish the
336 duty of instructional personnel and school administrators to
337 report alleged misconduct by other instructional personnel or

338 school administrators that affects the health, safety, or
339 welfare of a student and procedures for such reporting; and
340 include an explanation of the liability protections provided
341 under ss. 39.203 and 768.095.

342 d. A pilot school or an employee of a pilot school may not
343 enter into a confidentiality agreement regarding terminated or
344 dismissed instructional personnel or school administrators, or
345 personnel or administrators who resign in lieu of termination,
346 based in whole or in part on misconduct that affects the health,
347 safety, or welfare of a student and may not provide
348 instructional personnel or school administrators with employment
349 references or discuss such persons' performance with prospective
350 employers in another educational setting without disclosing such
351 misconduct. Any part of an agreement or contract that has the
352 purpose or effect of concealing misconduct by instructional
353 personnel or school administrators which affects the health,
354 safety, or welfare of a student is void, is contrary to public
355 policy, and may not be enforced.

356 e. Before employing instructional personnel or school
357 administrators in any position that requires direct contact with
358 students, a pilot school must conduct employment history checks
359 of each such person's previous employers, screen such person
360 using the educator screening tools described in s. 1001.10(5),
361 and document the findings. If unable to contact such person's
362 previous employer, the pilot school must document efforts to
363 contact the employer.

364 Section 4. Paragraphs (a) and (d) of subsection (1) of
 365 section 1003.621, Florida Statutes, are amended to read:

366 1003.621 Academically high-performing school districts.—It
 367 is the intent of the Legislature to recognize and reward school
 368 districts that demonstrate the ability to consistently maintain
 369 or improve their high-performing status. The purpose of this
 370 section is to provide high-performing school districts with
 371 flexibility in meeting the specific requirements in statute and
 372 rules of the State Board of Education.

373 (1) ACADEMICALLY HIGH-PERFORMING SCHOOL DISTRICT.—

374 (a) A school district is an academically high-performing
 375 school district if it meets the following criteria:

376 1.a. ~~Beginning with the 2004-2005 school year,~~ Earns a
 377 grade of "A" under s. 1008.34(8) ~~1008.34(7)~~ for 2 consecutive
 378 years; and

379 b. Has no district-operated school that earns a grade of
 380 "F" under s. 1008.34;

381 2. Complies with all class size requirements in s. 1, Art.
 382 IX of the State Constitution and s. 1003.03; and

383 3. Has no material weaknesses or instances of material
 384 noncompliance noted in the annual financial audit conducted
 385 pursuant to s. 218.39.

386 (d) In order to maintain the designation as an
 387 academically high-performing school district pursuant to this
 388 section, a school district must meet the following requirements:

389 1. Comply with the provisions of subparagraphs (a)2. and

390 3.; and

391 2. Earn a grade of "A" under s. 1008.34(8) ~~1008.34(7)~~ for
392 2 years within a 3-year period.

393

394 However, a district in which a district-operated school earns a
395 grade of "F" under s. 1008.34 during the 3-year period may not
396 continue to be designated as an academically high-performing
397 school district during the remainder of that 3-year period. The
398 district must meet the criteria in paragraph (a) in order to be
399 redesignated as an academically high-performing school district.

400 Section 5. Paragraph (a) of subsection (2) of section
401 1011.64, Florida Statutes, is amended to read:

402 1011.64 School district minimum classroom expenditure
403 requirements.—

404 (2) For the purpose of implementing the provisions of this
405 section, the Legislature shall prescribe minimum academic
406 performance standards and minimum classroom expenditure
407 requirements for districts not meeting such minimum academic
408 performance standards in the General Appropriations Act.

409 (a) Minimum academic performance standards may be based
410 on, but are not limited to, district grades determined pursuant
411 to s. 1008.34(8) ~~1008.34(7)~~.

412 Section 6. This act shall take effect upon becoming a law.